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ABSTRACT

This module on owning and operating a housecleaning service is one of 36 in a series on entrepreneurship. The introduction tells the student what topics will be covered and suggests other modules to read in related occupations. Each unit includes student goals, a case study, and a discussion of the unit subject matter. Learning activities are divided into individual activities, discussion questions, and a group activity. Units (and subject matter) in this module are planning your business (personal qualities and skills; types of services and customers; competition; insurance and business permits); choosing a location (type of town; type of office location); getting money to start (business descriptions; financial information; statement of financial need); being in charge (dividing the work; hiring and training workers; keeping your workers happy); organizing the work (describing the work; scheduling the work); setting prices (cost of goods sold; operating expenses; profit; competition; customer demand); advertising and selling (advertising methods; what to say in your ads; special ways to attract customers); keeping financial records (customer accounts; billing credit customers; keeping track of cash); and keeping your business successful (profit/loss statement; keeping profits high; changing or improving services). A summary and quiz complete the document. (A teacher's guide is available for this module.) (CT)

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etc Entrepreneurship Training Components

GETTING DOWN TO BUSINESS:

Housecleaning Service

Module 24

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GETTING DOWN TO BUSINESS:

Housecleaning Service

Carolyn McFarlane

May 1981

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INTRODUCTION

How are you going to use your job skills after you finish school?

Have you ever thought about starting your own housecleaning service?

This module describes people who have started and managed a housecleaning service. It gives you an idea of what they do and some of the special skills they need.

You will read about
- planning a housecleaning service
- choosing a location
- getting money to start
- being in charge
- organizing the work
- setting prices
- advertising and selling
- keeping financial records
- keeping your business successful

You will also have a chance to practice some of the things that housecleaning service owners do.

They you will have a better idea of whether a career as a housecleaning service owner is for you.

Before you read this module, you might want to study Module 1, Getting Down to Business: What's It All About?

When you finish this module, you might want to read
- Module 22, Getting Down to Business: Restaurant Business;
- Module 23, Getting Down to Business: Day Care Center;
- Module 25, Getting Down to Business: Sewing Service;
- Module 26, Getting Down to Business: Home Attendant Service.

These modules are related to other programs in occupational home economics.

UNIT 1

Planning a Housecleaning Service

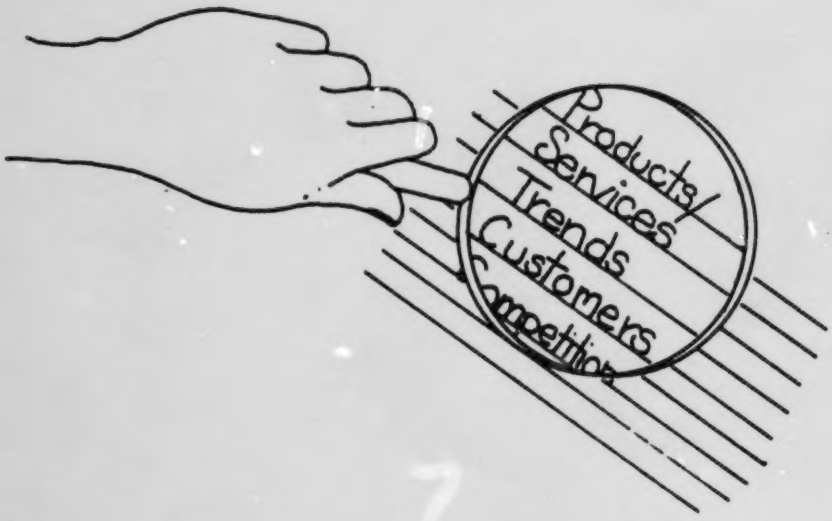
Goal: To help you plan your housecleaning service.

Objective 1: Describe the services, customers, and competition of a housecleaning service.

Objective 2: List three helpful personal qualities of a housecleaning service owner.

Objective 3: List three ways to help your business compete successfully.

Objective 4: List one legal requirement for running a housecleaning service.


Products/
Services
Trends
Customers
Competition

JILL AND DANA THINK ABOUT THEIR OWN BUSINESS

Jill Stewart and her husband Lance had just moved to Memphis, Tennessee. Jill had taken home economics classes in high school. She had worked as a maid for a wealthy family when she was in Europe. She wanted to start a cleaning service. Jill's longtime friend, Dana Harrison, had managed a temporary secretarial service for a while. She had experience in handling people and in keeping records. Jill and Dana decided to start as partners.

They looked in the Yellow Pages under Maids and Housecleaning. They found that there was one maid employment service in the area and two housecleaning services that specialized in "heavy" cleaning.

Jill and Dana decided to offer light housecleaning services to suburban families on a regular basis. They named their business Tender Loving Care. They bought themselves work uniforms--white pants and blue aprons--to look professional.

"We'll stress the fact that we're experienced homemakers ourselves," said Jill. "We'll clean each house just as if it were our own. We'll do the work quickly and well. We'll show up on time every week. Then people will want our service and will be willing to pay a good price."

Planning a Housecleaning Service

A small housecleaning business is like all small businesses in the following ways:

- It has a small number of owners who make all the decisions.
- It has a small number of workers.
- It has only one location.
- It requires a small amount of money to start and run.
- It earns a fairly small income every year compared to a large cleaning business.

A housecleaning business is a service business. There are no products. But customers receive assistance, which saves them time.

What It Takes to Be a Small Business Owner

To run a housecleaning service, you should have the qualities needed by all small business owners. In particular, you should have the following:

- knowlege of how to clean a house;
- understanding of how to run a business;
- honesty and respect for the belongings and privacy of others;
- ability to get along with workers and customers; and
- ability to organize work and workers.

Services Offered by Housecleaning Services

In a housecleaning service, you hire and train your own workers. You also use your own supplies and equipment. You can offer any of the following services.

Light housecleaning. Jill and Dana offered these services including:

- vacuuming;
- dusting;
- polishing furniture;
- mopping and waxing floors; and
- cleaning kitchens and bathrooms.

Heavy housecleaning. These services, not offered every week, include:

- washing windows;
- cleaning blinds, drapes, walls, and ceilings;
- cleaning carpets and upholstery;
- cleaning inside of ovens and refrigerators;
- "spring cleaning";
- cleaning after fire and water damage; and
- preparing apartments and homes for new residents.

Kinds of Customers

Customers of house and apartment cleaning services can include:

- working single people;
- elderly, handicapped, or sick people who are unable to do their own cleaning;
- families where both husband and wife work; and
- families where one spouse does not work but prefers to do other things and can afford to pay for housecleaning.

Some housecleaning services also have commercial customers, for example, stores, offices, factories, and warehouses.

Kinds of Competition

Housecleaning services have the following competition:

- other housecleaning businesses (usually each business does slightly different types of cleaning jobs);
- commercial cleaning services that also do housecleaning;
- maid employment services; and
- self-employed maids (maids or housecleaners who work for themselves).

Some maid employment services are temporary employment agencies. They find maids and housekeepers for customers for a fee. The maids are employed by the service. But the customer provides all supplies and gives all directions about the work. The service bills the customer on an hourly basis and passes most of the money on to the worker. The rest is kept by the maid service to cover expenses and profit.

Sometimes, maid employment services match workers with customers and charge the customer a one-time fee. The maid is then employed and paid directly by the homeowner. These types of services are not very common in most areas.

In starting your housecleaning service, you should find out who your competition is. Then study their strengths and weaknesses. You should plan your business to make it different and better than the others.

Ways to Compete Successfully

There are several ways you can make your housecleaning service better than your competition.

Do a better cleaning job. This means being well-organized and having trained workers. You should use the right supplies, equipment, and methods. You should not damage floors, walls, or furniture. You also should not break lamps or knick-knacks. You should come to the

customer's home when you promise or arrange a "makeup day" ahead of time. Tender Loving Care's (TLC) plan for success was to offer a simple list of services that no one else offered and to do the work really well.

Charge lower prices. If possible, you should charge your customers less than your competition does. If you charge the same or more, try to give your customers more for their money.

Offer extra or different services. Most of the cleaning services in your area may do heavy housecleaning. Then you should specialize in light housecleaning. Extra services that can be offered include emergency cleaning on a 24-hour basis, serving and cleanup at parties, minor yard work, and minor home repairs and painting. You could also allow regular customers to charge their cleaning. You might permit them to request special cleaning tasks on a particular day.

Have a special business image. Often cleaning services have ordinary names and boring emblems or logos. Choose a "classy" business name and logo that make your business stand out. Pick and train your workers well. Develop special methods of cleaning. Jill and Dana used housewives in their service. They talked about their experience and their "tender touch." They told customers about their "thorough spiral" method. This helped them do their cleaning in a quick, organized way without missing anything.

Insurance and Business Permits

There are not many legal requirements for starting a housecleaning service. You will probably need:

- a business permit from each town you serve;
- a building or zoning permit; and
- several kinds of insurance.

You'll need insurance to protect your business from fire and accidents and to pay for any damage or theft of your customers' property. You'll

need insurance to cover your workers if they're hurt on the job. You'll also need insurance for all cars and trucks you use in the business.

Summary

To start a housecleaning service, you should have some knowledge about housecleaning and business, be honest and dependable, and know how to work with people. You should decide what cleaning services you want to offer and what customers you want to serve. You should study your competition and make your business special so that your business will succeed. You also should get certain business permits and certain kinds of insurance before you start.

Learning Activities

Individual Activities

1. Locate the housecleaning businesses in your town by looking under "Maid Service" and "Housecleaning" in the Yellow Pages. From the infor- mation in the ads, list the services that two of these businesses offer and the customers you think they serve. List things about these businesses that make them special (extra services, unusual business name or logo, etc.).

2. Explain the differences in the responsibilities of the owner of a housecleaning service and of a maid employment service.

3. List the services offered by TLC's "light housecleaning" service.

4. List four other services Jill and Dana could have offered besides light housecleaning.

5. Do you have the personal qualities needed to run a housecleaning service? Check each statement below that applies to you.

   _____ I like working with people, even "difficult" ones.

   _____ I have lots of energy and am willing to work hard to reach my goals.

   _____ I'm good at planning my time and organizing my work.

   _____ I don't mind doing housework and can work quickly without breaking things.

   _____ I respect the property and privacy of others.

Discussion Questions

1. Do you think Jill and Dana made good decisions about the services to offer and the customers to serve? Do you think their ideas for a business image will help make their business successful?

2. What trends are there in our country today that would affect the success or failure of a housecleaning service? Does this type of business have a hopeful future? Why, or why not?

3. What training, experience, and other resources do you think you should have before opening a cleaning service?

Group Activity

Locate the owner of a small housecleaning service near you. Invite that person to visit your class to share his or her experiences in running the business. Make up a list of questions to ask the visitor, such as:

1. What kind of education and work experience do you have?

2. Why did you choose to open your cleaning service?

3. How much time did you spend planning your business before you opened? What did you do?

4. What services do you provide?

5. Who is your competition? How is your business different and better?

6. How did you decide on your location?

7. How much money did it take to get started? Where did you get it?

8. What are the responsibilities you have in running the business?

9. What personal qualities are important in a housecleaning service owner?

10. What things do you especially like about running your business? What things do you dislike?

11. If you were to do it over again, would you start a housecleaning service?

UNIT 2

Choosing a Location

Goal: To help you choose a location for your housecleaning service.

Objective 1: List three things to think about in deciding where to locate your housecleaning service.

Objective 2: Pick the best location for a housecleaning service from three choices.

EXPANDING FROM HOME TO OFFICE

Jill and Dana started their business in Dana's home. They used the desk in the extra bedroom and bought a filing cabinet. They also put in a business phone and a telephone answering machine. This kept expenses down.

After six months, Jill and Dana had enough customers to hire a couple of new workers. Dana began to manage the office. Jill and the others did the cleaning. At this point, they knew they had to move.

"We had no more room for supplies, and there were papers everywhere," said Dana. "The day my three-year old answered the business phone and lost my call was the last straw. Besides, our town doesn't permit business people to work out of their homes if they have employees."

They thought of moving into a modern office complex in the downtown shopping district. But the rent there was very high.

"We looked and looked. Finally, we found a small 15' x 15' office in a commercial area. It was located right on the edge of the area where most of our customers lived. It wasn't far from our own homes either. The office wasn't plush. But we figured that most of our customers would never see it. Most of our contact with them would be over the phone or at their homes. Our workers could come and check in at the office every morning. They could have a cup of coffee, and then leave for their first job. Jill and I could go home at the end of the day to tidy houses. And we could forget work--at least for awhile."

Choosing a Location

The Type of Town to Choose

Not everyone will want to use a housecleaning service, and not everyone can afford one. You might also have competition for the customers that do want your service. You should think about these things when you pick a town for your business. The "ideal town" will have several features.

A large number of prosperous families and single people. It takes a fairly large number of people in an area for a housecleaning service to succeed. You should choose a town that has lots of people living in nice apartments and single-family homes. Look for an area where many women have professional jobs. Stay away from lower income towns and areas that are having economic problems (such as large worker layoffs). You must be located near customers that will want and be able to afford your service.

No other housecleaning services (or only a few). Pick a town where you have little or no competition. If the town is small, make sure that there are no housecleaning services nearby. For larger towns, make sure there are only one or two others that you'll have to compete with. The town may have several successful maid employment services. Then you may not want to locate your business there either. Commercial cleaning services are a bit different. They may clean homes, too. But they are often impersonal and do heavy housecleaning only. If you choose your services well, you will not really be competing with commercial cleaning services at all.

Sometimes you may be thinking about only one town for your business. You may not want to move to another spot. Then you will have to decide

if your town is right for a housecleaning service. There may be a lot of competition or a small number of customers. Then you will want to consider starting another kind of business instead.

The Type of Office Location to Choose

Once you've picked the town, you need to decide where to put your office. Your business may be small and you may have an extra room. Then you can work out of your home as Jill and Dana did. As your business grows, however, you'll need a "real" office. As you look around, you should try to find an office that has the following features.

Close to your customers. Your customers won't be coming to the office very often, but you'll be going to them. First, you'll need to visit their homes to discuss the work they want done. Then you or your workers will go to their homes to do the cleaning work every week or so. Your workers will want to stop in at the office every day to get supplies and check their schedules. You may need to visit them on the job, too, if there are problems. Having an office within several miles of your customers is important. Ideally, the office should be in the center of the area you serve and easy to reach by car.

In a fairly low-rent business area. Location is not quite as important for a housecleaning service as for a retail business (like a clothing store). Your business does not have to be located in a busy shopping area or on a main road where customers will see it. You will get your customers mainly because of word-of-mouth and advertising, not because of your location. A good spot would be in a small office complex where there are other small service businesses. The area should be safe, fairly inexpensive, and near good roads. Money you save on rent can be added to your salary. Or it can be spent to expand the business.

Small and in good condition. Your office can be small. But it does need room for one or two desks, some file cabinets, a typewriter, and a large bulletin board. You will also need a few chairs for your workers

to sit in when they come to check in. Storage space for cleaning supplies is also important. Your office doesn't have to be large or fancy. But it should be clean and in good condition. When you become the office manager, you'll be spending a lot of time there. So pick a spot you can live with.

Summary

When looking for a place to locate your housecleaning service, you must pick a town where there are many customers and few competitors. At first, you may want to work out of your home. When you do choose an office, pick a spot that is close to your customers and is in a low-rent business district. The office should be small and simple, but in good condition.

Learning Activities

Individual Activities

1. Which of the following locations would be best for a small housecleaning service?
   ____ a. A first floor corner office in a large suburban shopping center
   ____ b. A nice new office in the middle of a low rent housing development
   ____ c. A small office on a side road close to a large complex of new apartments

2. Assume that you want to open a housecleaning service like TLC in your area. Do the following research.
   a. Make a list of the other housecleaning services that would be your competition and where they are located. Use the Yellow Pages.
   b. Make a list of the groups of people who could be your customers and where they live.
   c. Talk to a few possible customers. Find out whether they would be interested in using your service.

Discussion Questions

1. Discuss why it might or might not be good to work out of your home as opposed to having a "real" office.

2. How will Jill and Dana use their office? What kinds of furniture and supplies will they need? How should the office be laid out?

3. Based on what you learned in Individual Activity #2, do you think it would be wise to start a housecleaning srvice in your area? Why, or why not? What other area nearby could you also consider?

Group Activity

In small groups, work on choosing a business office in your town for your group's housecleaning service. Use the information each of you collected to help your group. Your group may pick any office in town, whether it is for rent at the moment or not. Your group may not, however, pick an office that is already occupied by a cleaning service.

First your group should get a map of your town (or draw one). To decide your group should:

1. Mark on the map the location of all the other housecleaning services in your town. Circle the areas your group thinks its customers live in.

2. Circle the areas where other possible customers live and pick one as your group's "service area."

3. Pick one or two spots within your group's service area where it could locate its business. Contact a realtor and ask for ideas on office space in these spots. From a few choices, pick the one that seems best to your group.

4. Mark your group's business location on the map. Explain to the class why your group made the choice it did.

UNIT 3

Getting Money to Start

Goal: To help you plan how to borrow money to start your housecleaning service.

Objective 1: Write a business description for your housecleaning service.

Objective 2: Fill out a form showing how much money you need to borrow to start your housecleaning service.

BANKING ON A LOAN

Jill and Dana started their business in Dana's home. They only had a small amount of money. "We started on a shoestring. All in all, we began cleaning houses with $550. It was a small-time operation, but it grew fast. As more and more women heard about our service, we had more customers than we could manage. That's when we decided to get an office and hire employees. These things took money. So we made plans to take out a loan.

"We made a list of the expenses we'd have just to open the doors of our office. These included deposits for rent and utilities, and costs for redecorating the office and for buying equipment, furniture, and supplies. We also needed more money to advertise our grand opening. We'd also have to buy a building permit and business licenses for two new towns we'd be working in. Then there was the special insurance for our office and our employees and the money we paid our accountant.

"Next we figured out the money we'd need to run the business for the first three months. A large part of this would be salary for our three new maids. Then of course there was rent, electricity, telephone, cleaning and office supplies, and advertising. We planned for our maids to use their own cars and for TLC to pay for their gas. We also knew that we'd have to pay our accountant a monthly fee."

Jill and Dana wrote a description of their business. They wrote down information about their work experience and education--"why we thought we could succeed as business owners." They also filled out forms listing their income, what they owned, what they owed, and what they had in the bank. "We were each able to put $3,000 into the business at this point. We also were willing to work for a while without salaries since our husbands had good jobs. Once we built up our list of customers, we each hoped to pay ourselves about $1,000 a month."

Jill and Dana presented all their information to Melba Coleman during their loan interview at the bank. Melba was impressed with their business description. She especially liked their ideas on how to make their business unique. She approved their loan.

Getting Money to Start

All new businesses require money to start. To start a very small business (such as TLC at first), you may have enough of your own money. You may plan to hire employees or to have an office. Then you'll probably need to get a loan from a bank or another lending agency.

To prove you're a good business risk, you'll need to give the bank the following information:

- personal information (your education, work experience, and finances);
- a description of your business; and
- financial information about your business (including a statement of financial need).

Business Description

The bank loan officer will want to know exactly what kind of house-cleaning service you have and how you will run it. He or she wants to know how carefully you have planned your business and its chances for success.

Your business description should be written clearly and simply. It should tell the lender the following:

- the kind of business you have and the services you provide;
- the location of the business and why you chose it;
- the customers you plan to serve;
- the competition you have;
- how you've made your business special to succeed (business name, special services, etc.); and
- your plans for growth.

Financial Information About Your Business

You will need to give the bank at least two kinds of financial information about your business.

First, you will need to state how much you expect to take in and pay out every month. This information gives the bank an idea of whether your business will succeed. It lets the bank know if your business will bring in enough revenues for you to earn a profit and to pay off your loan. The bank will study all your figures to see if they are realistic.

Second, you will need to write down how much money you have and how much you'll need to borrow (a statement of financial need).

Statement of Financial Need

The statement of financial need Jill and Dana filled out for their housecleaning service appears on the next page. The form you use for your business may not look just like this. But it should contain the same information.

The left side of the statement of financial need lists the amount of money you think you'll need for the first few months of business. This includes start-up expenses and operating expenses for a few months until you have enough customers for your business to pay for itself.

STATEMENT OF FINANCIAL NEED

Expenses (for First Three Months)

Start-up Expenses

Rental Deposit	$ 300
Telephone Deposit	40
Utilities	40
Redecoration	500
Equipment & Furniture	1,700
Cleaning Supplies	200
Office Supplies	150
Advertising	230
Other (permits, insurance, accounting)	300
TOTAL START-UP EXPENSES	

Operating Expenses (for 3 months)

Salaries (for 3 part-time maids)	1800 x 3 =	
Rent	300 x 3 =	
Telephone	30 x 3 =	
Utilities	30 x 3 =	
Transportation	100 x 3 =	
Cleaning Supplies	50 x 3 =	
Office Supplies	10 x 3 =	
Advertising	30 x 3 =	
Other (insurance, accounting, etc.)	100 x 3 =	
TOTAL OPERATING EXPENSES		

TOTAL EXPENSES FOR FIRST THREE MONTHS _____

Money on Hand

Owners' Cash on Hand _____

TOTAL MONEY ON HAND _____

TOTAL EXPENSES _____

TOTAL MONEY ON HAND _____

TOTAL BUSINESS LOAN NEEDED _____

Start-up expenses. These expenses for a housecleaning service include rent and other deposits, redecoration, and advertising expenses. The largest expenses are for furniture, equpment, and cleaning supplies. You will probably need the following furniture and equipment for your office:

- a good electric typewriter;
- a calculator;
- a desk and desk chair;
- several other chairs;
- a bulletin board;
- a filing cabinet;
- a storage cabinet;
- a telphone and answering machine; and
- a coffee maker.

For your cleaning crew, you will need the following equipment and supplies:

- heavy-duty vacuum cleaners (one for each team);
- buckets, sponges, and rags;
- cleaners, scouring powder, furniture polish, floor wax; and
- uniforms (slacks and aprons, tee-shirts, or smocks).

If you do heavy cleaning you may need:

- a floor-buffing machine;
- a rug-shampooing machine;
- window-washing equipment; and
- ladders.

Monthly operating expenses. These expenses include the additional money you will spend every month on supplies, rent, advertising, etc., plus salaries and transportation costs. Your cleaning service is centered around doing work on your customer's possessions (and not on selling products). So your main operating expense will be salaries. Jill and Dana's three maids were hired at $5 an hour to work 30 hours a week. This meant that each month TLC would pay out $1800 in salaries.

The money on hand includes the owners' money and any loans from friends or relatives. The total business loan needed is figured out by subtracting money on hand from total expenses.

Summary

In applying for a loan, you will need to give certain information to the bank to show that you will make a good business manager, and that your business has a high chance of success. You will need to write a business description and a statement of financial need. The amount you will need to borrow depends on your start-up and monthly expenses and the money you already have on hand.

Learning Activities

Individual Activities

1. List five pieces of office furniture and equipment you think you will need for your housecleaning service.

2. List five kinds of cleaning equipment and supplies you'll need.

3. Write a business description for Tender Loving Care. Include two or three sentences about each of the six topics mentioned in the text. Remember that this description should show the bank that Jill and Dana's business is well planned and likely to succeed.

4. Complete Jill and Dana's statement of financial need (on page 28) by:
   - adding up all start-up expenses;
   - figuring out 3-month figures for each type of operating expense (salary, rent, etc.);
   - adding up all operating expenses for three months;
   - figuring out your total expenses (start-up expenses and operating expenses);
   - filling in owners' cash on hand and total money on hand; and
   - calculating the total business loan needed.

Discussion Questions

1. What other things could be put into a business description to give the bank a better idea of whether a business is a "good risk"?

2. When will banks refuse to give business loans? What are some things they do to make sure they will get their money back? What does the bank gain from lending you money?

3. Suppose Jill and Dana planned to invest $500 each in their business or to take out $1,000 each in salaries the first month. How would this affect the bank's decision to give them a loan?

Group Activity

Role play Jill and Dana's talk with Melba Coleman at the bank. Select someone in your group to play the two partners and Ms. Coleman. In the loan interview, Jill and Dana should tell Melba about their education and experience, their business plans, and the money they'll need. Ms. Coleman should ask questions to decide if Jill and Dana are a good business risk. She should decide whether or not to give the loan based on how Jill and Dana present their case.

UNIT 4

Being in Charge

Goal: To help you plan how to hire workers and divide the work of your housecleaning service.

Objective 1: Decide how to divide the work of your housecleaning service among several employees.

Objective 2: Pick the best person for a housecleaning job in your service.

Objective 3: List three ways to keep your workers happy.

LOOKING FOR MAIDS

When Jill and Dana decided to hire employees, they decided to try to attract housewives as workers. "We decided that we wouldn't require any work experience outside of the home. We'd choose people who were easy to get along with and who really wanted to work. We'd give applicants a cleaning test. That way we'd make sure they weren't all thumbs when it came to housework. We also planned to give our workers several days of training about our ways of cleaning.

"We talked to some of our friends and customers about our need for workers. We also put a want ad--'Housewives Wanted'--in the local paper. We offered good wages since we knew good housecleaners are hard to find."

Housecleaners are also hard to keep. So Jill and Dana worked at this, too. "We let our workers know what we expected right from the start. We encouraged a team spirit and gave raises to our best workers. We tried to listen to our workers' gripes. We tried to defend them if they were unjustly accused by customers. We also gave staff parties twice a year to keep spirits up.

"Seven women filled out applications. We tested and talked to four people. We hired the three we thought were best. We found that one of them was hard to work with. She missed work quite often. We had to replace her. Now we have a great team. Our customers couldn't be more pleased with our service. Our workers are happy, too."

Being in Charge

In your housecleaning service, you will probably have one or more employees. First, you will have to decide what work you want them to do. Then you will have to hire and train your workers and keep them happy.

Dividing the Work

There are several main tasks that must be done in a housecleaning service. You must decide which tasks you will do and which ones you will have your workers do.

Doing the housecleaning. Usually you will hire other workers to do the cleaning, unless your business is very small. For light housecleaning, you may want to divide the work between maids who vacuum and dust the living area and bedrooms and maids who mop and scrub in the kitchen and bathroom areas. For heavy housecleaning, you may want to hire special workers to do only window washing or rug shampooing. Or you may train your housecleaners to do all cleaning tasks.

Working with customers and managing the housecleaning. This includes talking to customers on the phone and visiting their homes to give estimates on work to be done. The person in charge will schedule cleaning jobs and check on the housecleaner's work from time to time. At the beginning, you will probably handle this yourself. Later on, you may want to hire an assistant (a "manager" or a "scheduler") to do these things.

Buying cleaning and office supplies. This involves talking to wholesalers and finding the best supplies at the lowest prices. You can do this yourself. Or you can have your assistant do it. Then you can do some of the other tasks listed below.

You will problably want to do the following tasks yourself:

- keeping financial records;
- hiring, managing, and firing workers;
- handling customer complaints; and
- advertising, setting prices, and making important decisions about the future of your business.

The key is to hire as few workers as possible and still get the work done. Make sure, too, that you do the tasks yourself that involve overall managing and decision making.

Hiring and Training Workers

To hire workers, you must decide:

- how many workers you will need;
- what you want your workers to be like;
- how you can find the best workers;
- how much you will pay them; and
- how you will train them.

You will want to decide what work experience and education you want them to have. You should also choose the type of person who can work with you best. For housecleaners, you probably don't need people who have done this kind of work before or who have a lot of schooling.

Your workers, however, should be:

- easy to get along with;
- eager to learn new skills;
- able to work hard; and
- willing to stick to the job.

Your housecleaners will probably be former maids or janitors, and students. They will be people who do not have many job skills, have not worked before, or want to work part-time.

To find good workers, you should ask your present employees to recommend their friends. You should also talk to friends and customers. You may want to check at the State Employment Office and local high schools and colleges. Also write a "catchy" want ad for the newspaper. The ad should describe the kind of person you're looking for and the work you want done.

To choose the best worker from the people who apply, follow these steps.

- Read written applications.
- Talk to applicants and get to know them.
- Give applicants a quick "cleaning test."
- Talk to former bosses (if any).

Many people who become housecleaners don't stay at their jobs very long. In talking to applicants, try to find out why they want the job. Also find out whether they plan to stick with it. Choose your workers carefully. That way you won't lose money and time by having to replace them. You may want to hire new employees on a two-week "trial period" to see whether they'll work out.

Wages for housecleaners vary from about $3.00-6.00 an hour. Their wages will depend on their skills and the area you live in. Try to offer your workers good wages so you can attract the "cream of the crop."

It's usually a good idea to spend some time at first training your workers. You should teach them the following rules.

Follow a system of housecleaning. For example, they should clean from left to right and top to bottom so they don't miss anything. Jill and Dana used the "thorough spiral method" of housecleaning.

Keep all supplies close at hand. Your workers should carry their rags, cleansers, and polishes along with them--in their smock or apron or on a cart. Having to walk back and forth across the room to get supplies slows down the job.

Work as rapidly as possible. Show workers how to increase their speed and offer prizes for those who do. The more homes you clean in a day (and still do it well), the more money your business will make.

Report all problems to you. If your workers can't come to work one day, they should call you as soon as possible. They should also let you know if they can't get into a customer's home or if they break a vase. Telling you that they're out of supplies or are having trouble finishing their work on time lets you take action to solve the problem.

Keeping Your Workers Happy

Besides the problems that all workers have, people who clean houses tend to get bored and lonely. To solve these problems (or keep them from happening) you should do the following things.

Communicate with workers and show that you care. Call your workers by their first names and let them get to know you. Let them know what you expect and listen to their ideas. Let them "blow off steam" at the end of the day. Praise them for a job well done. Offer raises to workers who've proved themselves.

Develop a team spirit. If workers work together and have a good cleaning system, they'll be happier. Two can work faster than one, and the day goes more quickly, too. Letting workers talk after work and giving staff parties now and then, helps to improve team spirit.

Be fair. Don't always think that the customer is right. Listen to your employees' side of the story, too. As much as possible, arrange their work schedules to suit their needs. If you can, allow them to

take days off when they ask ahead of time. When necessary, be firm with your workers. But give them "the benefit of the doubt" now and then, too. Then they'll respect you more and be more loyal workers.

Summary

Being a good boss means choosing your employees carefully, training them well, and trying to keep them happy. If you hire the right workers and keep them on the job, your housecleaning service will have a better chance for success.

Learning Activities

Individual Activities

1. List three groups of people (such as housewives) that might make good housecleaners. List the training, work experience, and personal qualities they should have. Try to include a few ideas that have not been mentioned already.

2. Find an ad in the newspaper for a maid or housecleaner. What kind of information does the ad give? What information is missing? Do you think the ad will attract many people? Why, or why not?

3. Suppose Dana is answering phones and doing the paperwork. Jill and three others are cleaning houses full time. Then one worker quits. Which of the following applicants would be best for the job?

   ____ a. Hilda Lewis, an experienced housecleaner, has arthritis

   ____ b. Agnes Fry, a full-time student, no work experience

   ____ c. Mathilda Tipton, in good health, a telephone operator for 15 years, recently lost her hearing in one ear

   ____ d. Pat Anderson, a wealthy housewife who is going back to work, wants to be TLC's office manager

   Write two or three sentences telling why you chose the person you did.

Discussion Questions

1. Why do you think housecleaning services have a high "turnover rate" for workers? What can you do to keep turnover low in your business?

2. Do you think Jill and Dana did a good job of hiring their workers? Why, or why not? Why do you think they spent a lot of time training their employees?

3. Suppose Emily, one of your housecleaners, calls in sick about once a week and often argues with other workers. What would you do?

Group Activity

Suppose you need to hire a housecleaner for your business. Write an ad for the local newspaper describing the job and the type of person you are looking for. Then "interview" a few of your classmates for the job. Your classmates should express their abilities and interests clearly. After several interviews, decide which person would be best suited for the job.

UNIT 5

Organizing the Work

Goal: To help you organize the work of your housecleaning service.

Objective 1: Fill out a customer work order for a particular job.

Objective 2: Fill out a weekly work schedule for your employees.

WORK
SCHEDULE

DAY-TO-DAY CLEANING

After 6 months of business, Jill and Dana's cleaning schedule was full. "We were cleaning 3 houses a day, for 2 hours each. That meant 15 customers a week. Some customers used us every week, and some every other week. More families in the neighborhood wanted our service. So we decided to expand. Some of our new customers had larger homes. These would take us three hours to clean. We figured that with four workers (two teams) we'd have about 25 job openings a week. One or two of these we'd keep free. That way we could juggle jobs around if we had to. We could also give our customers extra services if they needed them."

Jill and Dana planned that their employees would clean 6 hours a day Monday through Thursday. On Fridays, they'd clean for 5 hours. First thing in the morning, they'd check in at the office. They'd also spend some time at the end of the day turning in supplies and time cards. All in all, they'd work about 7½ hours a day.

On June 16, Sarah Lake called Tender Loving Care to ask for new service. Dana went to her house to write up an estimate. Her house would be a 3-hour job. Mrs. Lake wanted weekly service on Wednesday or Thursday because she had a women's meeting at her house on Thursday nights. She wanted to be home when the work was done. She asked TLC to come in the afternoon. Every room was to be cleaned except for her son's bedroom. "You can't even get in the door of his room. It's such a mess." Service was to start the week of June 23.

Mark Post was a single lawyer in the area. He called the same day to get one-time "emergency" cleaning service. His family was coming to visit, so he wanted his apartment cleaned on June 26 (a 2-hour job). Dana wrote both these jobs on the schedule that was posted on the bulletin board.

"We try to make up a monthly schedule for our workers. We do it at the beginning of the month. Of course, things change from day to day. Some people cancel and new jobs come in. We write each change on the board as soon as we get it. Our people check the board every morning. Employees must let us know a week ahead if they want time off. My sister-in-law is our back-up worker. If someone gets sick or takes vacation, she can usually fill in the gaps."

Organizing the Work

In your housecleaning service, your customers will all have different work to be done on different time schedules. As the office manager, you (or your assistant) will need to keep track of what each customer wants. You will need to fit all the jobs on the calendar. It's also important to check your employees' work. As your business gets larger, there's a chance that the quality of their work may slip. To succeeed, be well organized and keep the quality of your work high.

Describing the Work

Every time you get a new customer, you must go to his or her home to give an estimate. You find out what the customer wants and explain how much the work will cost. If the customer agrees to the job, you fill out a work order form. On it, you write down what the customer wants and when. With this form, you agree to do the work and the customer agrees to follow certain rules.

A sample work order form that you could use in your housecleaning service appears on page 47 (the one that Dana filled out for Mrs. Lake). The form has the following features.

Customer's name, address, and phone number. You should also make notes on how to get to the house. Write down information about how to get in, too (for example, "get key from apartment manager").

The date work desired. This includes the day of the week, time of the day, and number of times a month.

WORK ORDER

FROM: TENDER LOVING CARE
8090 Azalea Dr.
Memphis, TN

DATE OF ESTIMATE: June 16
ESTIMATE MADE BY: Dana

WORK FOR: Mrs. Sarah Lake
1001 Cardinal Lane
Memphis, TN (901) 856-6512

DATE WORK DESIRED: Wed. or Thurs., every week (start week of June 25)

DIRECTIONS TO HOME: Take Main St. south, turn left on Robin Lane, then right on Cardinal.

Description of Work

WORK DONE

Vacuuming/Dusting
- x Carpets/Floors
- x Dusted-Windowsills/Baseboards/Cobwebs
- x Fingerprints as Needed
- x Uncluttered Surfaces
- x Furniture Oiled or Polished
- x Floors Damp Mopped

- x Sep. Family
- x Sep. Dining
- x Bedrooms 1 2 (3) 4 5

Bathrooms 1 (2) 3 4 5
- x Tub/Shower __ Moldy
- x Sink/Toilet
- x Floor Washed
- x Floor Waxed as Needed
- x Water Spots/Soap Scum

Kitchen
- x Cupboards (outside only)
- x Countertops (uncluttered)
- x Outside of Appliances
- x Floors Washed
- x Floors Waxed as Needed
- x Fingerprints as Needed

SPECIAL NOTES
Do not dust china cupboard in dining room.
Do not clean Harry's bedroom (smallest one upstairs).
Use special oil on furniture.

Customer's Agreement:

- I will pay for cleaning on the day it is done or within 10 days after receiving a bill.
- I will not ask workers to do tasks that are not listed on this sheet without talking to the office first.
- I will call 2 days ahead, or I will pay a $25 penalty.

Customer's Signature Mrs. Sarah Lake

Time Required 3 hrs.
Total Cost of Work $75.00

Description of work. Usually you can just check off the services your customer wants, such as vacuuming or dusting. You should also write down special notes about the job. These might include extra tasks to do, special supplies to use, and things not to touch. Note, too, any instructions about pets.

Time required and total cost of work. After finding out what needs to be done, you should decide how long it will take. Multiply the number of hours by your hourly fee ($25 for TLC). Then fill in the total amount the customer will pay.

Customer's agreement. This part of the form lists your rules for the customer. You will need to tell the customer when you want to be paid, how to add or change cleaning tasks, and how to cancel jobs. The rules of each cleaning service will be a bit different. The customer should read over the whole form and sign it before the work begins.

File the form in a special work order drawer. Workers should look at forms before they go out to work each day. They should do this at least until they get to know each home.

Scheduling the Work

You should be able to look at your work order forms and organize all your customer jobs on the calendar. Most of your customers will want their homes cleaned weekly or twice a month, at certain times of the week. Scheduling is a big job. A good system is absolutely necessary! To schedule the work you should do the following things.

- Make up your own master schedule for regular customers.
- Make notes of changes as you get them.
- Post a schedule for workers at the beginning of each month.

Use your master schedule and your special notes to make up the schedule for workers. You will have to shift jobs around a little to

allow for changes called in by customers. Make sure the workers' schedule is posted in a place where they can see it easily.

A copy of a sample work schedule appears below. This sample is Dana's master schedule for the fourth week of the month. Dana added Sarah Lake as soon as she called in. She did not add Mark Post because he would not be a regular customer. She copied this information on to the schedule for workers for the week of June 23, adding the two new jobs that came in. Her maids checked this calendar every morning to find out which jobs they were to do that day.

TLC MASTER SCHEDULE

WEEK #4

	Mon.	Tues.	Wed.	Thurs.	Fri.
Team 1	Harding(2)	West(3)	_____(2)	Wilson(2)	DuBois(3)
	Ching(2)	McBain(3)	_____(2)	Atkins(2)	_____(2)
	Guerrero(2)		Yurash(2)	_____(2)	
Team 2	Marcus(2)	North(2)	Schell(3)	Dixon(3)	King(3)
	O'Keefe(2)	Morgan(2)	_____(3)	Finlay(3)	Farmer(2)
	Washington(2)	Atkins(2)			

Summary

To organize your customers' housecleaning work, you should keep track of what each customer wants you to do by using a work order. You should also keep a record of when each customer wants the work done. Post this for your workers every month (work schedule). Make sure your workers show up at each job and do it well. That way you will keep your customers happy.

Learning Activities

Individual Activities

1. What does it mean to prepare a work estimate? What steps would a housecleaning service owner follow to give a work estimate and sign up a new customer? Write one short paragraph.

2. Visit a cleaning service and ask how they organize their work. Ask for a copy of their work order form. Look at their monthly work schedule and find out how they prepare it.

3. Fill in a work schedule for TLC for the week of June 23 on the blank form below. Use information from Dana's master schedule in the case study to help you.

WORK SCHEDULE					
Week of _____					
	Mon.	Tues.	Wed.	Thurs.	Fri.
Team 1					
Team 2					

4. Suppose Mark Post's apartment has a living room, a dining room, a kitchen, two bedrooms, and a bathroom. He wants TLC to give him all its services for every room except the bathroom. He'll clean the bathroom himself. He reminds Dana to give his kitchen floor special attention and to wax it with special wax. The key is under the doormat. Dog is locked in back yard (and should be left alone). Fill out a work order for this job.

WORK ORDER

FROM: TENDER LOVING CARE

8090 Azalea Dr.

Memphis, TN

WORK FOR: _____

DATE: _____

ESTIMATE MADE BY: _____

DATE WORK DESIRED: _____

DIRECTIONS _____

TO HOME: _____

Description of Work

WORK DONE

VACUUMING/DUSTING
- ☐ CARPETS / FLOORS
- ☐ DUSTED - WINDOWSILLS / BASEBOARDS / COBWEBS
- ☐ FINGERPRINTS AS NEEDED
- ☐ UNCLUTTERED SURFACES
- ☐ FURNITURE OILED OR POLISHED
- ☐ FLOORS DAMP MOPPED

☐ SEP. FAMILY
☐ SEP. DINING
☐ BEDROOMS 1 2 3 4 5

BATHROOMS 1 2 3 4 5
- ☐ TUB / SHOWER ☐ MOLDY
- ☐ SINK / TOILET
- ☐ FLOOR WASHED
- ☐ FLOOR WAXED AS NEEDED
- ☐ WATER SPOTS / SOAP SCUM

KITCHEN
- ☐ CUPBOARDS (OUTSIDE ONLY)
- ☐ COUNTERTOPS (UNCLUTTERED)
- ☐ OUTSIDE OF APPLIANCES
- ☐ FLOORS WASHED
- ☐ FLOORS WAXED AS NEEDED
- ☐ FINGERPRINTS AS NEEDED

SPECIAL NOTES _____

Customer's Agreement:

- I will pay for cleaning on the day it is done or within 10 days after receiving a bill.
- I will not ask workers to do tasks that are not listed on this sheet without talking to the office first.
- I will call 2 days ahead, or I will pay a $25 penalty.

Customer's Signature _____ Time Required _____ Total Cost of Work _____

5. Suppose Dana receives the following calls for cleaning service for the week of July 21 (Week #4 of her Master Schedule). Tell how she should change her master schedule to suit these customers. Handle the requests in the order they are listed. Remember that Mrs. Lake is now a regular customer.

   a. Mrs. DuBois wants to decrease her time on Fridays to two hours.

   b. Mr. Barker wants new weekly service on Wednesday mornings (two hours).

   c. Mrs. Simon wants new weekly service. It must be on Mondays (two hours)

   d. Mr. Adams wants one-time service on Friday, July 25.

   e. Ms. North is moving and wants to cancel her service (on Tuesdays).

Discussion Questions

1. Do you think Jill and Dana had a good system for describing and scheduling customer jobs? Why, or why not?

2. What kind of customers would want two-hour cleaning jobs? three-hour jobs? four-hour jobs? "one-time only" jobs?

3. If you had a housecleaning service, how many hours a day would you schedule workers? How many days a week? Explain your reasons.

Group Activity

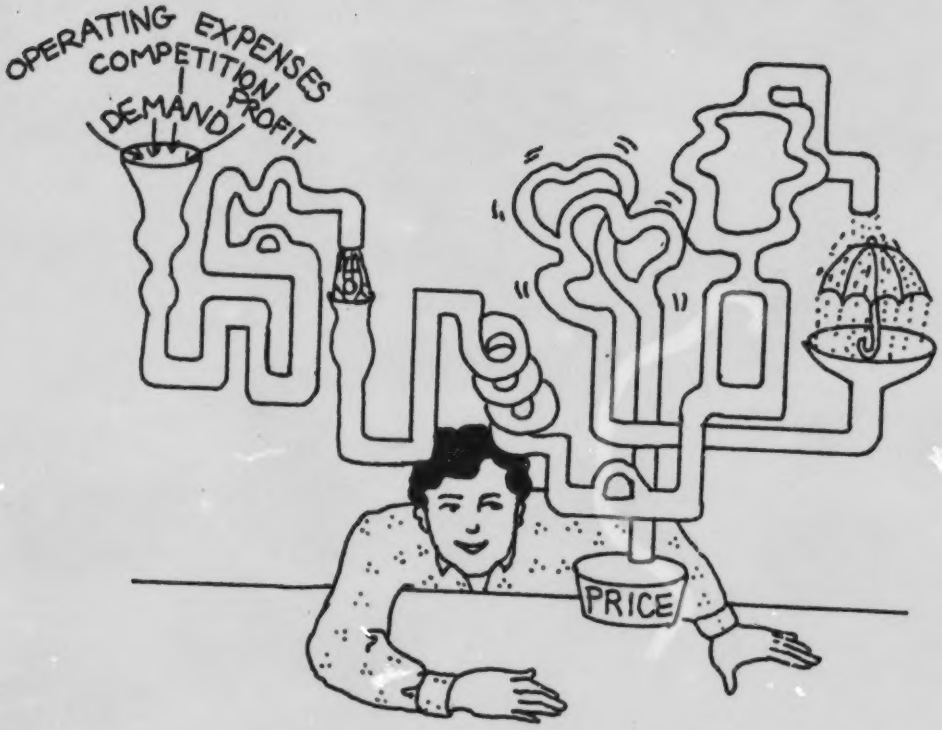
Suppose a small group of students in your class is running a cleaning service with four maids (two teams). Decide how many hours your group wants its employees to work each week and how many customers it wants in a week. Also decide whether your group wants two-, three-, or four-hour jobs (or all three types). Prepare a sample work schedule for the week of June 23 for your group's business.

UNIT 6

Setting Prices

Goal: To help you decide how to set prices for your housecleaning service.

Objective 1: Pick a good price for your housecleaning service.



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HOW MUCH IS A CLEAN HOUSE WORTH?

When TLC opened its new office, Jill and Dana decided to set new prices for their cleaning service. "We were charging $20 an hour when Dana and I were working by ourselves," said Jill. "Then, with rent and salaries to pay, we had more bills to pay. We needed more income."

Their main competitors were Ace Janitorial and Home and Office Cleaning, Inc. Both did housecleaning and commercial cleaning. Ace charged from $26-36 an hour for home cleaning, depending on the job. Home and Office charged $28-32 an hour. "It was hard to compare our price with theirs since they offered some services we didn't (like window washing). We decided to consider the lowest figures of the other services as their price for light housecleaning ($26 and $28 an hour).

"There were many women in our area with well-paid professional jobs. They needed cleaning service and were willing to pay for it. We felt that we could probably charge up to $28 an hour and still get customers. We did want to keep our prices attractive, though. We decided to try to keep our price at $26 or less.

"We decided on our price by figuring out several things. We looked at what our costs and our operating expenses were and how much profit we wanted to make. We decided that our costs for cleaning supplies should be about 25 cents per hour. Our largest operating expense was for wages for our maids. For one hour of housecleaning work, we'd be paying $10 ($5 an hour each to the two maids on the team). When we added in money to cover cost of rent and other things, our total costs and operating expenses were $12.50 an hour.

"For a cleaning service of our size, we thought we should bring in the same amount in profit--or a little bit more. So we made our price $25 an hour. Compared to our competition's prices, this seemed just right!

"We figured that later on we would want to give our maids raises. With inflation, we would probably also have to spend more on supplies and rent. At that time we'd raise our prices, too. We also made plans to keep track of the 'market.' That way we would stay in line with our competition and with the demand for cleaning services in our area."

Setting Prices

In setting prices, there are several things you have to think about. You must think about the money you need for cost of goods sold, operating expenses and profit. You should also think about how much you can get for your service. This will depend on what your competition is charging. It also depends on how much your customers want what you have to offer.

A good way to figure out prices is the one Jill used:

Price = Cost of Goods Sold + Operating Expenses + Profit

Use this approach to decide on your price. Then raise or lower it a bit depending on what's going on in the business world around you. Any changes you make in the price, of course, will make your profit larger or smaller.

Cost of Goods Sold

Your price for cleaning services must include the amount you spend on cleaning supplies for each job. This will be fairly low per customer--perhaps around 1% of your price.

Operating Expenses

Your hourly rate for cleaning services must include money to help pay the costs of running your business. These include:

- labor (wages for your workers);
- rent;
- utilities;

- telephone;
- transportation (gas and car repairs);
- office supplies;
- advertising;
- insurance;
- accountant and lawyer fees; and
- repairs on equipment.

Most of the money spent on operating expenses in a small housecleaning service will go for labor. This makes sense because your whole business is centered around your employees. The work they do for your customers is what your business is all about. Your rent can be low. You don't have lots of equipment repair costs. Your office supplies every month don't cost a lot either. Your main expense is your workers.

To set your hourly cleaning rate, find out how much you'll need to take in each hour to cover operating expenses. Divide your monthly operating expenses by the total number of hours your teams work in a month. For example, if your two teams each work 100 hours, there are 200 hours each month that you are bringing in money. The money you take in every hour, then, has to cover 1/200 of your monthly operating expenses (plus cost and profit).

Profit

You need to make a profit in your business so you can pay yourself. You will also use your profit to expand your business. In setting your price, you should add in money to cover profit. A general guideline for a housecleaning business is that you should make about as much profit per hour as you spend on operating expenses--or a little more.

Competition

In setting prices, make sure you know what your competition charges for the same service. Your price doesn't have to be exactly the same as theirs. Every business is different. Your price should be in the "same ballpark," however. If possible, try to offer lower prices than the others. This will attract customers. If you can't offer lower prices, make your service better and let your customers know that it's better. Then they won't mind paying more.

Customer Demand

Your price will also depend on how much the people in your area are willing to pay for housecleaning. There may be few maids or cleaning services in your area. Then you can probably charge a fairly high price. Your customers may be quite well-off or look at using a cleaning service as the "in" thing to do. Then your price can probably be a bit more, too.

If your cleaning service is the best in the area, you can also charge more. For example, Jill claimed that her workers cleaned so carefully that they never broke anything. Customers are willing to pay more for that kind of service.

In some areas, customers may not be able to pay high prices for housecleaning. In these areas, you'll have to keep your prices as low as possible. If your customers won't pay enough to give you a profit, however, your business is located in the wrong spot.

One Price or More Than One?

You may want to have one hourly rate for your housecleaning service, as Jill did. If you do several kinds of cleaning, you may want to charge different rates for different jobs. Jill's competition did

this. For example, your cleaning service may have workers who are window-washing experts. Then you may have to pay these workers more. You would then want to charge more for window-washing jobs than for regular light housecleaning jobs. You may also charge higher prices for other jobs like rug shampooing and spring cleaning.

Summary

To set prices in your housecleaning service, look at your costs of cleaning supplies and your operating expenses. Think about the profit you want to make. Also, study the prices your competition is charging. Find out what customers are willing to pay. As time goes on, study your business to see if your prices seem right. Then change them if you need to.

Learning Activities

Individual Activities

1. In the list below, look at the amount of money making up each part of TLC's hourly price. Then figure out what percentage each part is of the total price.

	$	% of Total Price
a. Cost of Goods Sold =	.25	
b. Operating Expenses =	11.25	
c. Profit =	13.50	
TOTAL PRICE =	25.00	100%

2. Call several housecleaning services in your area. Ask about their prices. Find out how the services given for these prices are different. Which service has the lowest price for weekly light housecleaning?

3. Find out what self-employed housecleaners in your area charge. These are individuals who come into the home around once a week to do light housecleaning. Get this information by looking in the want ads or by asking someone who has this kind of housecleaner.

Discussion Questions

1. Why does labor make up such a large part of the price for cleaning services?

2. If Jill decided to make TLC's price $22 an hour, what would happen to her profits? Why?

3. Housecleaning services charge prices that are quite a bit higher than prices for self-employed housecleaners. Why do you suppose housecleaning services can compete successfully? When do you think they would fail to compete successfully?

Group Activity

In a small group decide what a good price for housecleaning services would be for your town. Use the information in the text and what each of your group members collected about prices of your competition to help. Explain your group's decision to the class.

UNIT 7

Advertising and Selling

Goal: To help you learn ways to advertise and sell your housecleaning services.

Objective 1: Pick the best way to advertise your cleaning service.

Objective 2: Design a printed ad for your housecleaning service.

GETTING CUSTOMERS

When they opened their office, Jill and Dana planned their advertising to attract more customers. "As I see it," said Jill, "the secret to being successful is to make customers respect your service. That's what advertising can do. Lots of people think housecleaning is a drag. They don't think much of housecleaning services either. We want to improve people's image of the whole field."

They had a friend design a logo for Tender Loving Care. It was a bright shiny house being held in a pair of hands. They planned to use the logo in their printed ads and to put it on their workers' aprons. Jill and Dana decided to put a fairly large ad in the Yellow Pages. They talked to the telephone company a few months ahead. That way the following ad would appear when their office opened:

TREAT YOUR HOME
TO
TENDER LOVING CARE

Experienced homemakers will clean your home,
Just as if it was their own.

LIGHT HOUSECLEANING SERVICES
for Busy Homemakers and Professionals
On An Hourly, Weekly, Monthly Basis

TENDER LOVING CARE — Open M-F 9-6
8090 Azalea Drive
Memphis, Tennessee — 295-8010

The first week Jill and Dana also mailed out 500 fliers to the people living in the nice homes and deluxe apartments nearby. The flier looked the same as their Yellow Pages ad. But at the bottom it read: "GRAND OPENING OFFER - First housecleaning done for half-price if you call us in the next 30 days. One coupon only per family."

Advertising and Selling

To make sales in your housecleaning service, you must tell people about your business by advertising. You should also follow the steps of good selling and use special ideas for getting people to buy. Getting along with your customers is also very important.

Advertising Methods

Your housecleaning service will probably not be located on a busy street corner where everyone will see it. You will need to advertise to tell people that you exist. Outside billboards, radio, or TV probably are not the right methods for you. The best ways to advertise your service include the following ideas.

The Yellow Pages. This is a good way to reach a large number of people in the community. People looking for services often use the Yellow Pages. If possible, you should get a fairly large ad. It won't cost more than $50-100 a month. Plan on keeping your ad in the Yellow Pages for every month you're in business. It will remind former customers that you're still around. It will also tell new customers about your business. This might be all the advertising you'll need.

Fliers. These include ads you send out by mail or deliver door-to-door. You can decide who you want your customers to be. Then send fliers only to this group. Because of printing and postage costs, this kind of advertising is fairly expensive. Fliers with special offers (like half-price discounts) are especially good for getting new customers.

Newspapers. This method is more popular for retail businesses than service businesses. You may, however, want to put an ad in the local paper from time to time. You would put it in the "services" section.

What to Say in Your Ads

In your ads, you should have a specific purpose and aim at a certain group of customers. For example, TLC aimed mainly at wealthy homemakers (women). You should have an illustration and a headline in your ad to attract attention. The main part of the ad--the copy--should give information about the kinds of cleaning services you offer. It also should say why your business is special. The ad should give the name, address, and phone number of your service--identification. All these parts should be organized in a layout that is attractive and easy to read.

A good ad:

- is attractive and imaginative;
- is easy to recognize;
- is simple;
- gives important business information; and
- makes people want to buy.

Special Ways to Attract Customers

There are other ways of getting customers.

Referrals. One of the best ways to get new customers is through your present ones. If your service is good and your prices are reasonable, your customers will tell their friends. For every new person your customers sign up for regular service, you might offer one free housecleaning.

Special discounts and gifts. You may want to give other kinds of discounts from time to time to attract customers. For example, you might offer a special price once a year for spring cleaning. Selling housecleaning gift certificates (for one free month of cleaning) will also get new people interested in your service. Another idea is to give your customers dustcloths, pens, or notepads with your logo on them. This will help "spread the word" about your business.

Free advertising. If your business is new or different, you may be able to get free advertising. For example, write an interesting article about yourself. Tell how your business is special and send it to the local paper with a picture. You may have an article about your business published for free.

A Final Word: Be Good to Customers

You should try very hard to get along with all your customers. The success of your business depends on people who use your service month after month, and who refer their friends to you.

Remember that "your customers are always right." Try to please them as much as possible. Make your cleaning services and your hours fit their needs. When you go out to do an estimate, get to know your customers. Let them know they can trust you and your workers to do the job well. Follow up the first cleaning visit with a phone call. Find out whether the maids came on time and did a good job. Was anything missed? Listen to the complaints from customers. Solve their problems. Replace anything your workers break. Be as polite as possible. If you care for your customers (and your workers), the business will keep coming in.

Summary

The best ways to advertise your housecleaning service are to use the Yellow Pages and fliers. Ads should be "catchy" and informative and

have certain main parts. Offering discounts and gifts and using free advertising also help attract customers. Much of your new business will come through referrals from present customers. Once you have your customers, treat them well so they will stay with you and spread the word to others.

Learning Activities

Individual Activities

1. List three qualities of a good ad.

2. List at least four pieces of information that should appear in an ad (for example, the name of your service).

3. In the Yellow Pages, find two or three ads for housecleaning services. Label the five parts of each ad (headline, illustration, copy, identification, and layout). Write a few sentences explaining which ad you like the best and why.

4. Below is a list of specific advertising goals for a housecleaning service. In the blanks on the right, tell what you need to do to reach each goal (for example, advertise in the newspaper).

Your Goal	How to Reach the Goal
a. To reach a wide range of people for a long period of time	_____
b. To tell specific people in your neighborhood about your service	_____
c. To get your customers to tell their friends about your business	_____
d. To let the whole community know about your service without paying for advertising	_____

Discussion Questions

1. Referrals are one of the main sources of new customers in a housecleaning service. This kind of "advertising" is free. Is any other kind of advertising necessary? Why, or why not? If you say "yes," what other kind(s) would you recommend?

2. What are some special ("new and different") ways of advertising your housecleaning service. Try to think of several "free or almost free" ways.

3. What sort of business image did Jill and Dana want TLC to have? Did their ad present this image well? What kind of a business image could other housecleaning services present? Think of business names and logos that could be used for these businesses.

4. How does getting along with customers fit in with advertising? What are some "do's and don'ts" regarding dealing with customers? Should there be guidelines on "telephone manners"?

Group Activity

Assume that your small group of classmates is planning advertising for its own cleaning service. Your group can spend $200 on advertising for the first month of business and $100 for each month after that. Below is a list of costs for various kinds of advertising your group could use. On the advertising plan below, list the kinds of advertising your group decides to use and how much it plans to spend on each kind. Try to use the money in the best way possible.

Kind of Advertising	Cost
Direct-mail fliers	$0.20 per flier
Yellow Pages:	
small ad	$50 per month
large ad	$75 per month

One free housecleaning for each referral	$30 each
Pencil and notepaper sets (with your business name and logo on the notepaper)	$0.07 each

ADVERTISING PLAN

Kind of Advertising	Cost of Each Kind of Ad	Total for Month
For Start-up Advertising (first month)		$200
For Monthly Advertising		$100

Now your group should pick a business name and logo for its business. Design a printed ad. Make it clear and catchy. Artwork doesn't have to be fancy.

UNIT 8

Keeping Financial Records

Goal: To help you learn how to keep financial records for your housecleaning service.

Objective 1: Fill out a customer billing form for services you do for a customer.

Objective 2: Fill out a daily cash sheet for money you receive and pay out in one day.

CASH
REVENUES
FINANCES

HANDLING PAPERS AND BOOKS

Dana had bookkeeping experience. So she kept the financial records for Tender Loving Care. A good record-keeping system was very important. If Dana made an error, they might not be able to pay their workers. "It was even scarier since we decided to offer credit to regular customers. They'd pay cash for the first day's work. Then they could charge their housecleaning after that. Some of our customers still preferred to leave us a check every time. I'd keep a record of all charges and payments by each customer. We would send them a bill at the end of the month. They were supposed to mail back a check within ten days.

"Of course we also had to pay our bills. We got a business checking account and recorded all our payments on the stubs. We also started keeping a daily cash sheet, listing what came in and went out each day."

On August 29, Dana had the following things to keep track of.

- Marge Owens, Bill Phillips, and Harvey Sutter each left $50 checks for their regular cleaning service that day. Lizalee Bradley paid $75 for a one-time cleaning job.
- A check for $100 came in the mail from Martha Henry for last month's cleaning.
- Team #2 cleaned the home of Nancy Snyder, a fairly new credit customer who uses the service twice a month.
- Inge Harris, another credit customer, called in at 9 a.m. to cancel her cleaning job for that afternoon. Dana had to charge her the $25 penalty fee.
- Dana wrote checks to Commerce Realty ($300) and the accountant, Jim Payne ($50). She also bought $30 worth of liquid cleanser and paid maid Mabel Perkins for her car expenses in August ($20).

Keeping Financial Records

Keeping financial records is a must for any housecleaning service. Your records give you information you need in your business every day. They also help you prepare certain monthly and yearly reports. These you can use to make important business decisions. You will use records to keep track of the money paid and owed by each one of your customers. You should also keep records of the money you receive and spend every day.

How to Keep Customer Accounts

In your housecleaning service, you may have cash or credit customers, or both. You will need to have a system for recording each cleaning job your customers receive, how much they owe, and how much they have paid. Some customers may have their homes cleaned every week and pay cash every time. You still must have this information in your records—in "black and white." For customers who charge their cleaning service, you need a record of how they stand. That way you can bill them at the end of the month. You should keep customer account forms in your office file cabinet, within easy reach.

On the customer account form, you should record when the customer's house is cleaned, the type of service given, the time it took, and the cost of the work. You also should write down when the customer makes a payment and how much he or she still owes (balance due). A separate line is used for each day money is charged, received, or paid. The balance due is figured out each time, too. A sample customer account form for a cash customer, Marge Owens, appears on the next page.

TENDER LOVING CARE CUSTOMER ACCOUNT FORM

Customer: Marge S. Owens (Cash)
3 San Thomas Way
Memphis, TN

Date	Description of Sale (services and hours)	Amount Charged	Payment Received	Balance Due
8/1	Regular cleaning--2 hours		$50.00	-----
8/15	" "		$50.00	-----
8/29	" "		$50.00	-----

How to Bill Credit Customers

You may also use the customer account form to bill credit customers. Just send your credit customers a copy of your customer account form every month as their bill. If you have a special form printed up, use the same format but change the name to customer billing form.

When the customer receives the bill, he or she should check to see if the record of charges and payments is correct. To find out what is owed, he or she should look at the last figure under balance due. A sample customer billing form appears on the next page (the one Dana filled out for Nancy Snyder).

CUSTOMER BILLING FORM

Customer: Nancy Snyder
303 Walnut Point Dr.
Memphis, TN

Date	Description of Sale (services and hours)	Amount Charged	Payment Received	Balance Due
7/11	Regular cleaning (first time)- 3 hours	Cash	$75.00	------
7/25	Regular cleaning - 3 hours	$75.00	------	$75.00
8/5	Payment (Check # 509)	------	$75.00	------
8/15	Regular Cleaning - 3 hrs.	$75.00	------	$75.00
8/29	Regular Cleaning - 3 hrs.	$75.00	------	$150.00

Please return in 10 days with payment to:
TLC
8090 Azalea Dr.
Memphis, TN

How to Keep Track of Cash

If all goes well, you will be receiving money every day that your office is open. You will be getting some money from cash customers on the day the work is done. Credit customers will be sending you checks in the mail for past jobs.

You will also have to pay the bills coming into your business. While you may not do this every day, you will be doing it throughout the month. For example, you'll have to buy supplies one day and pay your phone bill another.

You'll want to know how much money comes in and goes out every day. If you use a daily cash sheet, you'll have a complete list of all cash

revenues and payments. A sample cash sheet appears below (the one Dana completed on August 29). You may use a different form as long as you record the same information daily.

TLC

DAILY CASH SHEET

For: August 29

Revenues		Payments	
CASH SALES			
M. Owens	$ 50	Rent	$300
B. Phillips	50	Supplies	30
H. Sutter	50	Transportation	20
L. Bradley	75	Accountant	50
CREDIT SALES			
M. Henry	$100		
TOTAL CASH REVENUES	$325	TOTAL CASH PAYMENTS	$400

Summary

Financial records are meant to make running a business an easier job. You will need to record customer charges and payments on customer account forms. You also will need to send bills to credit customers, using customer billing forms. You will need to keep track of all the cash going in and out of the business every day, using a daily cash sheet. Good daily records will help you to make good business decisions and to prepare financial reports like the profit/loss statement and balance sheet. You will learn about profit/loss statements in the next unit. If you decide to go into business for yourself, get the advice of an accountant about how to complete a balance sheet.

Learning Activities

Individual Activities

1. Phone the owner of a local housecleaning service. Find out what kinds of financial records he or she keeps. Explain how they are different from the ones TLC uses.

2. Suppose that Inge Harris uses the cleaning service two hours every week. In August, Team #1 cleaned her house on August 1, 8, 15, and 22. On August 5, she sent in the full $200 payment for July. Complete the customer billing form below for Inge for August. The last entry for July is included on the form.

TENDER LOVING CARE
CUSTOMER BILLING FORM

Customer: _____

Date	Description of Sale	Amount Charged	Payment Received	Balance Due
7/25	Regular cleaning - 2 Hrs	$50.00	----	$200.00

TLC
8090 Azalea Dr.
Memphis, TN

3. On September 2, Dana had to keep track of the following things.
   - Alice West paid $75 cash for her cleaning service and Amy North paid $50.
   - Frank Morgan and Ward Atkins charged both their two-hour jobs, and Susan McBain charged her three-hour job.
   - Belle Dixon sent in a check for $150 for August's cleaning.
   - Dana made out the paychecks for the last two weeks of August, a total of $1,200.
   - She paid a $35 telephone bill and bought $20 in office supplies.

   Complete a daily cash sheet for September 2.

TLC
DAILY CASH SHEET
For: September 2

Revenues		Payments	
CASH SALES			
_____	$ _____	_____	$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
CREDIT SALES			
_____	$ _____		
_____	_____		
TOTAL CASH REVENUES	$ _____	TOTAL CASH PAYMENTS	$ _____

Discussion Questions

1. Look at the customer billing form you filled out in Individual Activity #2. Why do you think the balance due for July 25 was $200.00? How does Inge know how much she owes for August?

2. Do you think a $25 penalty for cancelling at the last minute is fair? Why, or why not?

3. a. Look at TLC's Daily Cash Sheet for September 2. Payments for that day are much higher than revenues. Should Jill and Dana be worried about this? Why, or why not?

   b. Why were the cleaning jobs done for the three credit customers not listed on the Daily Cash Sheet?

4. Discuss the advantages and disadvantages of having lots of credit customers.

Group Activity

On TLC's Work Order (described in Unit 5), there is the following Customer Agreement, which all customers must sign before any cleaning work is done:

Customer Agreement

- I will pay for cleaning on the day it is done or within 10 days after receiving a bill.
- I will not ask workers to do tasks that are not listed on this sheet without talking to the office first.
- To cancel a cleaning job, I will call two days ahead, or I will pay a $25 penalty.

In a small group, develop a Customer Agreement for your group's housecleaning service. Decide whether your group will allow credit or whether it will require all customers to pay cash. Decide when your group wants customers to pay for their cleaning and how they should change and cancel cleaning jobs.

UNIT 9

Keeping Your Business Successful

Goal: To help you learn how to stay successful.

Objective 1: Figure out the net profit (before taxes), profit ratio, and expense ratio for a housecleaning service.

Objective 2: State one way to increase profits in a housecleaning service.

Objective 3: State one way to change your service to increase sales.

KEEPING TLC ON TOP

Tender Loving Care continued to grow. By the end of the second year, Jill and Dana had one part-time and two full-time cleaning teams. Revenues had increased quite a bit, but so had expenses. "Our profit/loss statement for our second year showed more profit dollars than the first year. The profit ratio for the second year, however, was lower than for the first. We wanted to keep our profit ratio at about 54%, so we had to decide what to do differently."

In the meantime, Jill and Dana had gotten some more competition in the area. "It's a small outfit--a husband and wife team called Clean Sweep--but they're good. They also do some of the heavier jobs we've stayed away from. I've noticed that several new people who have called in have mentioned Clean Sweep. I think we lost a few jobs to them because we didn't do outdoor window cleaning."

Jill and Dana decided they needed to change their business to increase sales and to remain successful against the competition. They decided to add window washing and rug shampooing to their list of services. They'd use Jill's brother and his friend Josh for this. Both men had experience working for janitorial services. They were students and could work "on call" up to 15 hours a week.

"We'll have to buy some window-washing equipment and a steam cleaner/shampooer. We are also thinking of buying a small van to use in the business. We'll also have to spread the word about the changes we've made. We can talk up our new services to our present customers. Mailing flyers would also be a good idea. We'll have to change our Yellow Pages ad when a new phone book comes out.

"These changes mean that our expenses will rise also. This is especially true for salaries and advertising. Hopefully the number of customers will increase enough so that we'll still make a good profit. We'll set higher prices for the heavier cleaning. That'll help, too. While we're expanding, we want to keep on giving personal, high-quality cleaning service. This is what has made TLC a top-of-the-line business."

Keeping Your Business Successful

As a small business owner, you will want your business to be successful year after year. Just because you have one good year doesn't mean that the next one will be as good. You have to work at keeping your business successful.

To do this, you should prepare financial reports for your business (such as the profit/loss statement) and study them. You should also look at the market--things in the business world that affect your business (such as trends, competition, and customer demand). Using these kinds of information, you should take action in your business to:

- keep your profits high and expenses low; and
- improve or change your services as needed.

Study Your Profit/Loss Statement

Using your daily financial records, you should prepare a profit/loss statement for your business at least once a year. Don't file this report in a drawer. Study it. The more you know about the figures in your business, the more likely you will be to have a big profit at the end of the year.

The profit/loss statement for the first two years of Tender Loving Care appears on the next page. The form has five main sections:

- revenues (money coming in from customers);
- cost of goods sold (money spent on cleaning supplies);
- gross profit (revenues minus cost of good sold);
- expenses (money paid out to run the business); and
- net profit (money left over after expenses are paid).

Net profit includes money to pay your salary, income taxes, and to expand the business.

TWO-YEAR PROFIT/LOSS STATEMENT

	Year 1		Year 2	
	$	%	$	%
Revenues	$70,000	100%	$100,000	100%
Cost of Goods Sold	700		1,000	
Gross Profit	$69,300		$ 99,000	
Expenses				
Salaries	$23,660		$ 39,000	
Rent	3,600		3,600	
Utilities	360		480	
Telephone	360		420	
Transportation	1,200		2,260	
Office Supplies	120		240	
Advertising	600		900	
Other	1,600		2,100	
TOTAL	$31,500	45%	_____	___
Net Profit	$37,800	54%	_____	___

For each year, dollar figures are listed for revenues and each kind of expense. Then, net profit is figured by subtracting expenses from revenues. Examples here are from Year 1 of TLC's profit/loss statement.

Net Profit = Gross Profit - Expenses = $69,300 - $31,500 = $37,800

The profit/loss statement also contains two key percentages for each year--the profit ratio and the expense ratio. These ratios are computed as follows:

$$\text{Profit ratio} = \frac{\text{Net Profit}}{\text{Revenues}} \times 100 = \frac{37,800}{70,000} \times 100 = 54\%$$

$$\text{Expense ratio} = \frac{\text{Expenses}}{\text{Revenues}} \times 100 = \frac{31,500}{70,000} \times 100 = 45\%$$

You can use these ratios to compare your profits and expenses from year to year. You can also use them to compare your business with other small housecleaning services.

Keep Your Profits High

Business owners usually try to earn a certain profit ratio every year. This means that as revenues increase, profit should increase at about the same rate. If you compare two years of your business and find that your profit ratio has gone down, there are several things you can do.

Increase your revenues. You can do this by increasing the number of customers you have or by raising the prices.

To bring in more customers, you will probably have to do more advertising. You may also have to hire more people and buy more equipment and supplies. It's fine to spend more in order to earn more. Just make sure that you don't spend a lot just to bring in a little more business.

You can also raise your prices to increase your revenues. Or you can both raise prices and try to get more customers. You may decide to increase prices. Then make sure your customers will still be willing to use your service. If you lose a lot of customers when you raise your prices, you haven't gained a thing.

Lower your expenses. Because of inflation, the expenses in your housecleaning service may rise each year. You should try to cut costs or at least control them so they don't rise so fast. If your sales are

increasing, your expenses probably will, too. Just make sure that your expenses don't get out of hand.

You should especially watch salaries, your largest expense. Make sure your workers are doing their best work for what you're paying them. Try to keep other costs low by saving energy and using supplies wisely. Look for cheaper suppliers, if possible. Watch your advertising budget. You may not want to reduce your expenses here because you need to advertise to bring in sales. However, make sure that you spend each dollar on the kind of advertising that brings in the most customers.

Change or Improve Your Services

Besides making financial changes in your business, you may need to make changes in the services you offer. Study your services and those offered by your competition. Talk to customers. Look for new ideas you can use in your business. Then do the following things.

Improve your services. Listen to your customers' complaints, and check your maids' work. See that they are using the training you've given them. Teach them new cleaning-up tips. Make sure they're not breaking or damaging any of your customers' belongings. Reward your workers if they do the job quickly and well.

Buy modern cleaning equipment if you think it'll help your workers do a better job. Try to do extras for customers as much as possible. Look for better ways of scheduling work to meet their needs.

Change your services. As time goes on, you may want to drop certain services that are not popular. You may also want to add new ones, especially services that are better or different from your competition's. If you do light housecleaning only, you could add certain "heavy" services as TLC did. You could also start doing commercial cleaning.

In adding services, however, make sure you don't "spread yourself too thin." It's better to do a few things well than many things poorly.

Summary

Keeping your business successful is something you have to work at all the time. You need to study your business's finances. You need to control them in order to keep profits high. A good financial report to use is the profit/loss statement. You also need to study the services you give, your competition, your customers, and trends in your business. Then improve or change your services to keep your business popular and up-to-date.

Learning Activities

Individual Activities

1. Define revenues, expenses, and net profit.

2. a. Figure out TLC's total expenses, net profit, expense ratio, and profit ratio for Year 2. Fill these in on the profit/loss statement on page 89.
   b. In which year were revenues higher? _____
   c. In which year was the profit ratio higher? _____
   d. In which year was the expense ratio higher? _____

3. Keeping in mind the changes Jill and Dana were planning to make in their business, they filled out the following shortened projected profit/loss statement for Year 3 (what they expected their third year to be like). Figure out the total amount they thought they'd bring in for net profit and their expected expense and profit ratios.

PROJECTED PROFIT/LOSS STATEMENT Year 3		
	$	%
Revenues	$130,000	100%
Cost of Goods Sold	1,300	
Gross Profit	$128,700	
Expenses	61,000	___%
Net Profit	_____	___%

If Year 3 goes as planned, will their business be more successful than in Year 2? Tell which figures you used to arrive at your answer.

Discussion Questions

1. List the major things Jill and Dana could have done to keep profits high. Which ones did they decide to try?

2. Do you think Jill and Dana had a good idea for increasing sales? What else could they have done to change their business?

3. Discuss the following quote from George Mayer.

> "My cleaning service is doing well. I'm taking in more money every year in revenues and have more customers than ever before. I'm making about the same amount of money in profit as I always have. My last two-year profit/loss statement showed an average profit ratio for my type of business. Competition is increasing a bit. I figure though, that if I give the same good service I've always given, we'll do fine."

Do you think George is doing a good job of studying the "health" of his business? Is his business doing as well as last year? Do you think his business has a bright future ahead? Why, or why not?

Group Activity

Suppose your small group had a housecleaning business that offered the same services as TLC. Assume, too, that your group's profit/loss statement for Year 2 looked like TLC's. What would your group do to increase your profits in Year 3? Discuss financial changes your group would make and services it would change. Remember that certain kinds of changes in your group's business will probably require increased expenses.

Prepare a short report to the class on what your group plans to do. Explain why your group made the decisions it did. Also prepare a "rough" projected profit/loss statement for Year 3 of your group's business. This statement should show a better profit ratio than Year 2.

SUMMARY

As the owner of a housecleaning service, you will have many jobs to do. Planning, of course, is very important. You may want to spend several months on this. This includes deciding on the services you'll offer, picking a business name and image, and choosing a location. You'll also have to prepare a business description giving details about what your business will be like. You'll present this to the bank along with a statement of financial need and other financial information.

Once your business has started, your everyday activities include hiring and managing workers, taking work orders from customers, and scheduling work. You'll also have to set prices and advertise your services. You and your accountant will work together in keeping daily financial records and preparing regular business reports. Studying past financial records will help you plan better for the future. As you aim at keeping your business "up-to-date," you will make changes in all areas of your business. You also will add new services as needed.

To own and operate a successful housecleaning service, you need training in cleaning techniques, housecleaning experience, and the special business management skills we have covered in this module. If you have not had experience in housecleaning, you should get some before deciding to own a housecleaning service. You can learn business management skills through business classes, experience, or by using the advice and example of an expert.

You may not make a lot of money by owning a housecleaning service. However, you would have the personal satisfaction of being responsible for your business and making your own decisions. Think about how important these things are to you in considering whether you should start your own housecleaning service.

QUIZ

1. List five services your housecleaning business could offer.
   a. _____
   b. _____
   c. _____
   d. _____
   e. _____

2. List three personal qualities the owner of a housecleaning service should have.
   a. _____
   b. _____
   c. _____

3. List three ways to make your housecleaning business better than the competition.
   a. _____
   b. _____
   c. _____

4. Anyone operating a housecleaning service will probably need to get:
   a. a local business permit.
   b. a wholesaler's license.
   c. a housecleaner's union license.
   d. Department of Health approval.

5. Pick the phrase below that best describes the kind of office you would choose for a housecleaning service.
   a. Small office in a large shopping mall
   b. Simple office near large homes and good roads
   c. Large office halfway between homes and shopping area
   d. Well-decorated office on a highway outside of town

6. Suppose you were driving through an area looking for a location for a housecleaning service and you saw the following situations. Which location would be best for you?
   a. Many elderly people are using food stamps in the local supermarket.
   b. Many well-dressed men and women with briefcases are getting off the bus at 5 p.m.
   c. Many young housewives are in their yards playing with their small children.

7. A business description should contain information about:
   a. the money you have on hand.
   b. the experience you've had in business.
   c. the services you plan to offer.
   d. the amount of money you need to borrow.

8. The three main parts of a statement of financial need are:
   a. revenues, expenses, net profit.
   b. revenues, expenses, money on hand.
   c. collateral, interest, total business loan needed.
   d. expenses, money on hand, total business loan needed.

9. Some jobs in a housecleaning service you could give to an employee. Which of the following jobs should you always do yourself?

   a. Ordering supplies
   b. Doing housecleaning
   c. Handling problems with workers
   d. Giving estimates to customers

10. List three qualities to look for when hiring housecleaners for your business.

   a. _____
   b. _____
   c. _____

11. Which of the following is the best way to deal with your employees?

   a. Praise their good work
   b. Let them work at their own speed
   c. Change their days off every week
   d. Have them do the same cleaning task every day

12. List three kinds of information contained in a customer work order.

   a. _____
   b. _____
   c. _____

13. Suppose Mary Furiyama has all two-hour customers in her cleaning service and she can schedule four customers a day. She wants to keep three time slots open for new customers. If her business is open five days a week, how many regular customers can she take in a week?

   a. 17
   b. 20
   c. 27
   d. 37

14. You should try to keep your price low enough that _____

and high enough that _____

_____.

15. Which of the following would probably be the best type of advertisement to use for a housecleaning service?
    a. TV
    b. Radio
    c. Newspaper
    d. Yellow Pages

16. Printed ads that will be successful at bringing in customers should:
    a. list your prices.
    b. be simple and attractive.
    c. be as short as possible.
    d. list the names of your workers.

17. When customers receive billing forms from a housecleaning service, how can they find out how much they owe?
    a. Add all the figures under Amount Charged.
    b. Look at the first figure under Amount Charged.
    c. Look at the last figure under Balance Due.
    d. Subtract the last figure under Payment Received from the last figure under Amount Charged.

18. A daily cash sheet records the:
    a. cash paid and amount charged for a certain day's cleaning.
    b. cash paid for that day's cleaning only.
    c. cash paid for present and past cleaning jobs.
    d. amount owed to the business and by the business.

19. Last year, total sales at "Spic 'n Span" were $100,000, cost of goods sold was $1,000, and total expenses were $48,000. Figure out the following:

    a. Net profit = $_____

    b. Profit ratio = _____%

    c. Expense ratio = _____%

20. The profits of "Spic 'n Span" have been declining for the past year. To increase profits, the owner should probably:

    a. lower the prices.

    b. buy newer equipment.

    c. reduce costs of running the office.

21. To increase sales, "Spic 'n Span" could

    a. _____

    b. _____

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PROJECT PRODUCTS

Entrepreneurship Training Components

Vocational Discipline	Module Number and Title
General	Module 1 - Getting Down to Business: What's It All About?
Agriculture	Module 2 - Farm Equipment Repair
	Module 3 - Tree Service
	Module 4 - Garden Center
	Module 5 - Fertilizer and Pesticide Service
	Module 6 - Dairy Farming
Marketing and Distribution	Module 7 - Apparel Store
	Module 8 - Specialty Food Store
	Module 9 - Travel Agency
	Module 10 - Bicycle Store
	Module 11 - Flower and Plant Store
	Module 12 - Business and Personal Service
	Module 13 - Innkeeping
Health	Module 14 - Nursing Service
	Module 15 - Wheelchair Transportation Service
	Module 16 - Health Spa
Business and Office	Module 17 - Answering Service
	Module 18 - Secretarial Service
	Module 19 - Bookkeeping Service
	Module 20 - Software Design Company
	Module 21 - Word Processing Service
Occupational Home Economics	Module 22 - Restaurant Business
	Module 23 - Day Care Center
	Module 24 - Housecleaning Service
	Module 25 - Sewing Service
	Module 26 - Home Attendant Service
Technical	Module 27 - Guard Service
	Module 28 - Pest Control Service
	Module 29 - Energy Specialist Service
Trades and Industry	Module 30 - Hair Styling Shop
	Module 31 - Auto Repair Shop
	Module 32 - Welding Business
	Module 33 - Construction Electrician Business
	Module 34 - Carpentry Business
	Module 35 - Plumbing Business
	Module 36 - Air Conditioning and Heating Service

Related Resources

Resource Guide of Existing Entrepreneurship Materials

Handbook on Utilization of the Entrepreneurship Training Components